

## CHAPTER 354

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**GOVERNMENT - LOCAL**


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**SENATE BILL 22-232**

BY SENATOR(S) Bridges and Moreno, Coleman, Simpson, Zenzinger, Buckner, Donovan, Fields, Ginal, Hansen, Jaquez Lewis, Lee, Rankin, Story, Winter;  
also REPRESENTATIVE(S) Herod and Bennett, Bacon, Bird, Esgar, Exum, Froelich, Hooton, Lindsay, Michaelson Jenet, Ricks, Roberts.

**AN ACT**

**CONCERNING THE PROVISION OF WORKFORCE HOUSING THROUGH THE CREATION OF THE MIDDLE-INCOME HOUSING AUTHORITY, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 24-77-102, **add** (15)(b)(XX) as follows:

**24-77-102. Definitions.** As used in this article 77, unless the context otherwise requires:

(15) (b) "Special purpose authority" includes, but is not limited to:

(XX) THE MIDDLE-INCOME HOUSING AUTHORITY CREATED IN SECTION 29-4-1104 (1).

**SECTION 2.** In Colorado Revised Statutes, **add** part 11 to article 4 of title 29 as follows:

**PART 11  
MIDDLE-INCOME HOUSING AUTHORITY**

**29-4-1101. Short title.** THE SHORT TITLE OF THIS PART 11 IS THE "MIDDLE-INCOME HOUSING AUTHORITY ACT".

**29-4-1102. Legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS AND

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

DECLARES THAT:

(a) THERE IS AN ACUTE SHORTAGE OF AFFORDABLE MIDDLE-INCOME HOUSING IN THE STATE, PARTICULARLY IN FAST-GROWING AREAS WHERE JOBS ARE BEING CREATED. HOUSING IS INCREASINGLY NOT AFFORDABLE FOR ESSENTIAL WORKERS SUCH AS NURSES, TEACHERS, FIREFIGHTERS, AND OTHER MEMBERS OF COMMUNITIES WHO EARN TOO MUCH TO QUALIFY FOR GOVERNMENTAL HOUSING SUBSIDIES AND FOR WHOM THE MARKET IS NOT BUILDING NEW HOUSING.

(b) FOR MOST OF COLORADO'S POST-WAR HISTORY, THE PRIVATE MARKET PROVIDED AN ABUNDANT SUPPLY OF STARTER HOMES FOR MIDDLE-INCOME EARNERS. AS COSTS HAVE ESCALATED IN HIGH-COST HOUSING MARKETS, PRIVATE INVESTORS HAVE SHIFTED THEIR FOCUS TO FINANCING HOUSING FOR ONLY THE TOP EARNERS IN THE MARKETPLACE, WHERE HIGH RETURNS ON INVESTMENT CAN STILL BE ACHIEVED. IN THE DENVER METRO AREA, NOT ONLY ARE THERE FEWER AFFORDABLE RENTAL UNITS BUILT EVERY YEAR, BUT THERE ARE ALSO FEWER AFFORDABLE RENTAL PROPERTIES IN TOTAL. THIS SAME TREND IS OCCURRING IN ALL HIGH-COST COMMUNITIES ACROSS THE STATE.

(c) THERE ARE ESTABLISHED MARKETS TO RAISE CAPITAL TO FINANCE AFFORDABLE HOUSING FOR LOW-INCOME INDIVIDUALS WHO QUALIFY FOR GOVERNMENTAL HOUSING SUBSIDIES, GENERALLY THOSE WHOSE INCOME IS SIXTY PERCENT, OR IN SOME CASES EIGHTY PERCENT, OR LESS OF AREA MEDIAN INCOME, THROUGH THE SALE OF FEDERAL AND STATE LOW-INCOME HOUSING TAX CREDITS AND TAX-EXEMPT BONDS;

(d) EVEN WITH HISTORIC STATE INVESTMENT THIS YEAR OF HUNDREDS OF MILLIONS OF DOLLARS FOR AFFORDABLE HOUSING, THE STATEWIDE NEED IS IN THE BILLIONS; EVEN WITH THE GENERAL ASSEMBLY'S INVESTMENT, THERE SIMPLY IS NOT ENOUGH CAPITAL AVAILABLE TO FINANCE THE MIDDLE-INCOME WORKFORCE HOUSING, LEAVING A DAMAGING VOID OF HOUSING SUPPLY FOR MIDDLE-INCOME INDIVIDUALS, FAMILIES, AND COMMUNITIES;

(e) IN ORDER TO SOLVE FOR THE ACUTE SHORTAGE OF AFFORDABLE MIDDLE-INCOME HOUSING, A MECHANISM IS NEEDED THAT WILL ROBUSTLY INCREASE THE SUPPLY OF AFFORDABLE MIDDLE-INCOME HOUSING BY RAISING LARGE AMOUNTS OF PRIVATE SECTOR CAPITAL TO FINANCE PROJECTS THAT CAN BE PLACED INTO SERVICE QUICKLY AND EFFICIENTLY. THE CREATION OF THE MIDDLE-INCOME HOUSING AUTHORITY IS SUCH A MECHANISM.

(f) THE AUTHORITY WILL BE ABLE TO PLACE PROJECTS INTO SERVICE QUICKLY AND EFFICIENTLY BECAUSE IT WILL RELY ON THE EXPERTISE OF LOCAL GOVERNMENTS, NONPROFIT ORGANIZATIONS, AND EXPERIENCED REAL ESTATE INDUSTRY PROFESSIONALS TO IDENTIFY, PROPOSE, DEVELOP, AND OPERATE ITS PROJECTS;

(g) THE AUTHORITY'S HOUSING UNITS WILL REMAIN AFFORDABLE WITH STABLE RENTS BECAUSE THEY WILL BE OWNED BY THE AUTHORITY AND OPERATED BY EXPERIENCED AND COMPETENT OPERATORS AT THE AUTHORITY'S DIRECTION, IN PERPETUITY; AND

(h) INCREASING AFFORDABLE RENTAL WORKFORCE HOUSING THROUGH THE ACTIVITIES OF THE AUTHORITY AND THE EXERCISE OF ITS PLENARY POWERS PURSUANT TO THIS PART 11 IS IN THE PUBLIC INTEREST AND IS A MATTER OF STATEWIDE CONCERN. THE ACTIVITIES OF THE AUTHORITY WILL COMPLY WITH FAIR HOUSING LAWS AND PROMOTE A SUBSTANTIAL, LEGITIMATE, AND NONDISCRIMINATORY INTEREST OF THE STATE THAT CANNOT BE SERVED BY ANOTHER PRACTICE THAT HAS A LESS DISCRIMINATORY EFFECT.

**29-4-1103. Definitions.** AS USED IN THIS PART 11, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) (a) "AFFORDABLE RENTAL HOUSING PROJECT" MEANS REAL PROPERTY THAT HAS THE PRIMARY PURPOSE OF PROVIDING RENTAL HOUSING FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES, WHICH PROPERTY IS SELECTED BY THE AUTHORITY AND OWNED BY THE AUTHORITY IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN SECTION 29-4-1107.

(b) AN "AFFORDABLE RENTAL HOUSING PROJECT" MAY INCLUDE COMMERCIAL SPACE IF THE BOARD DETERMINES THAT THE COMMERCIAL SPACE IS INCIDENTAL TO THE HOUSING COMPONENT OF THE PROJECT.

(2) "AUTHORITY" MEANS THE MIDDLE-INCOME HOUSING AUTHORITY CREATED BY THIS PART 11.

(3) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE AUTHORITY.

(4) "BOND" MEANS ANY BOND, NOTE, OR OTHER OBLIGATION OF THE AUTHORITY AUTHORIZED TO BE ISSUED UNDER THIS PART 11.

(5) "CONTROLLED ENTITY" MEANS AN ENTITY ESTABLISHED BY THE AUTHORITY IN ACCORDANCE WITH SECTION 29-4-1106 (1)(g).

(6) "FAIR HOUSING LAWS" MEANS THE FEDERAL "FAIR HOUSING ACT", 42 U.S.C. SEC. 3601 ET SEQ., AS AMENDED, ANY COMPARABLE LAW OF THE STATE, AND ANY COMPARABLE ORDINANCE, RESOLUTION, OR OTHER LAW OF ANY LOCAL GOVERNMENT THAT PROPERTY OF THE AUTHORITY IS SUBJECT TO AND THE REGULATIONS AND RULES PROMULGATED UNDER THIS PART 11.

(7) "MIDDLE-INCOME INDIVIDUALS AND FAMILIES" MEANS, ONLY FOR PURPOSES OF THIS PART 11, EXCEPT AS MODIFIED IN EXCEPTIONAL CIRCUMSTANCES BY THE BOARD PURSUANT TO SECTION 29-4-1107 (2)(c), INDIVIDUALS AND FAMILIES WITH ANNUAL INCOME OF THE HOUSEHOLD BETWEEN EIGHTY PERCENT AND ONE HUNDRED TWENTY PERCENT OF THE AREA MEDIAN INCOME OF THE HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE AFFORDABLE RENTAL HOUSING PROJECT IS LOCATED; EXCEPT THAT, FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES RESIDING IN A RURAL RESORT COUNTY, THE ANNUAL INCOME OF THE HOUSEHOLD SHALL BE BETWEEN EIGHTY PERCENT AND ONE HUNDRED FORTY PERCENT OF THE AREA MEDIAN INCOME OF THE HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE AFFORDABLE RENTAL HOUSING PROJECT IS LOCATED.

**29-4-1104. Middle-income housing authority - creation - board of directors**

**- meetings - records - tax exempt - audit - report.** (1) THERE IS CREATED THE MIDDLE-INCOME HOUSING AUTHORITY, WHICH IS A BODY CORPORATE AND A POLITICAL SUBDIVISION OF THE STATE, WHICH SHALL NOT BE AN AGENCY OF STATE GOVERNMENT, AND SHALL NOT BE SUBJECT TO ADMINISTRATIVE DIRECTION BY ANY DEPARTMENT, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE STATE.

(2)(a) THE POWERS OF THE AUTHORITY ARE VESTED IN THE GOVERNING BODY OF THE AUTHORITY, WHICH IS A BOARD OF DIRECTORS.

(b) THE BOARD CONSISTS OF FOURTEEN PERSONS.

(c) THE GOVERNOR SHALL APPOINT TO THE BOARD, WITH THE CONSENT OF THE SENATE:

(I) AT LEAST ONE MEMBER WITH EXPERIENCE IN ONE OF EACH OF THE FOLLOWING AREAS:

(A) THE DEVELOPMENT OF RENTAL HOUSING;

(B) REAL ESTATE TRANSACTIONS; AND

(C) PUBLIC FINANCE; AND

(II) AT LEAST ONE MEMBER WHICH MEETS ONE OF THE FOLLOWING CRITERIA:

(A) BE THE DIRECTOR OF A LOCAL HOUSING AUTHORITY;

(B) BE AN ELECTED COUNTY COMMISSIONER FROM A RURAL COUNTY IN THE STATE;

(C) BE AN ELECTED COUNTY COMMISSIONER FROM A COUNTY IN THE STATE; AND

(D) BE A REPRESENTATIVE FROM A NONPROFIT ORGANIZATION THAT HAS EXPERIENCE DEVELOPING MIDDLE-INCOME HOUSING.

(d) IN ADDITION TO THE APPOINTMENTS SET FORTH IN SUBSECTION (2)(c)(I) OF THIS SECTION, THE GOVERNOR SHALL APPOINT TO THE BOARD:

(I) THE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT ESTABLISHED IN SECTION 24-48.5-101 (1), OR THE DIRECTOR'S DESIGNEE; AND

(II) THE DIRECTOR OF THE DIVISION OF HOUSING ESTABLISHED IN SECTION 24-32-704, OR THE DIRECTOR'S DESIGNEE.

(e) IN ADDITION TO THE REQUIREMENTS OF THIS SUBSECTION (2) OF THIS SECTION, WHEN MAKING APPOINTMENTS TO THE BOARD, REASONABLE EFFORTS MUST BE MADE TO APPOINT MEMBERS THAT REFLECT THE GEOGRAPHIC AND DEMOGRAPHIC DIVERSITY OF THE ENTIRE STATE.

(f) (I) EACH MEMBER IS APPOINTED FOR A TERM OF FOUR YEARS; EXCEPT THAT THE TERMS SHALL BE STAGGERED SO THAT NO MORE THAN FIVE MEMBERS' TERMS

EXPIRE IN THE SAME YEAR.

(II) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION (2)(f)(I) OF THIS SECTION, THE FIRST APPOINTED MEMBERS SHALL SERVE INITIAL TERMS OF TWO YEARS FOR FOUR MEMBERS, THREE-YEARS FOR FIVE MEMBERS, AND FOUR YEARS FOR THE REMAINING FIVE MEMBERS. THIS SUBSECTION (2)(f)(II) IS REPEALED ON JULY 1, 2028.

(g) A MEMBER HOLDS OFFICE FOR THE MEMBER'S TERM UNTIL A SUCCESSOR IS APPOINTED. ANY MEMBER IS ELIGIBLE FOR REAPPOINTMENT, BUT MEMBERS ARE NOT ELIGIBLE TO SERVE MORE THAN TWO CONSECUTIVE FULL TERMS. MEMBERS OF THE BOARD SERVE WITHOUT COMPENSATION FOR SUCH SERVICES BUT SHALL BE REIMBURSED FOR THEIR NECESSARY EXPENSES WHILE SERVING AS A MEMBER OF THE BOARD. ANY VACANCY MUST BE FILLED IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT FOR THE UNEXPIRED TERM. ANY MEMBER MAY BE REMOVED BY THE GOVERNOR FOR MISCONDUCT, INCOMPETENCE, NEGLIGENCE OF DUTY, OR OTHER CAUSE.

(3) THE GOVERNOR SHALL MAKE INITIAL APPOINTMENTS OF BOARD MEMBERS IN ACCORDANCE WITH SUBSECTION (2)(b) OF THIS SECTION ON OR BEFORE SEPTEMBER 1, 2022, AND SHALL APPOINT ONE OF THE MEMBERS TO SERVE AS THE INITIAL CHAIRPERSON. THE INITIAL CHAIRPERSON HAS THE AUTHORITY TO ESTABLISH AND ADMINISTER MATTERS RELATED TO THE INITIAL SET UP OF THE AUTHORITY, INCLUDING STAFFING, LEGAL SERVICES, OR TO COORDINATE WITH THE OFFICE OF ECONOMIC DEVELOPMENT, CREATED IN SECTION 24-48.5-101 (1), OR THE DEPARTMENT OF LOCAL AFFAIRS, CREATED IN SECTION 24-1-125 (1), ON ADMINISTRATIVE MATTERS AND OTHER MATTERS RELATED TO THE INITIAL SET UP AND OPERATION OF THE AUTHORITY, WHICH CONTRACTS SHALL BE FOR A TERM OF NO LONGER THAN ONE YEAR FROM SEPTEMBER 1, 2022, AND SHALL BE RATIFIED BY THE BOARD AT ITS INITIAL MEETING SET FORTH IN SUBSECTION (4)(a) OF THIS SECTION. THE AUTHORITY MAY HIRE STAFF AS IT DEEMS NECESSARY OR CONVENIENT TO ADMINISTER THIS PART 11 AND THE OFFICE OF ECONOMIC DEVELOPMENT OR THE DEPARTMENT OF LOCAL AFFAIRS MAY ASSIST THE AUTHORITY WITH ADMINISTERING THIS PART 11. THE AUTHORITY MAY COOPERATE AND ENTER INTO CONTRACTS WITH THE OFFICE OF ECONOMIC DEVELOPMENT OR THE DEPARTMENT OF LOCAL AFFAIRS, OR WITH ANOTHER AGENCY OR ENTITY, FOR ADMINISTRATIVE OR OPERATIONS MATTERS, INCLUDING FOR STAFFING. THE AUTHORITY SHALL PAY THE OFFICE OF ECONOMIC DEVELOPMENT, THE DEPARTMENT OF LOCAL AFFAIRS, OR ANOTHER AGENCY OR ENTITY THAT THE AUTHORITY HAS ENTERED INTO A CONTRACT WITH FOR ALL COSTS INCURRED FOR SERVICES, STAFFING, AND ADMINISTRATIVE COSTS THAT ARE APPROVED BY THE INITIAL CHAIRPERSON AND RATIFIED BY THE BOARD OR THAT ARE APPROVED BY THE AUTHORITY.

(4) (a) WITHIN THIRTY DAYS OF THE GOVERNOR'S INITIAL APPOINTMENTS PURSUANT TO SUBSECTIONS (2) AND (3) OF THIS SECTION, THE INITIAL CHAIRPERSON OF THE BOARD AS DESIGNATED BY THE GOVERNOR SHALL SET DATES FOR THE FIRST AND SECOND BOARD MEETINGS WHICH MUST BE HELD BEFORE DECEMBER 31, 2022. THE BOARD MAY ELECT A NEW CHAIRPERSON PURSUANT TO SECTION 29-4-1105 (1)(n) AT EITHER INITIAL MEETING. SUBSEQUENT MEETINGS SHALL BE SET BY THE CHAIRPERSON OF THE BOARD.

(b) ALL MEETINGS OF THE BOARD ARE OPEN TO THE PUBLIC. NO BUSINESS OF THE

BOARD SHALL BE TRANSACTED EXCEPT AT A REGULAR OR SPECIAL MEETING AT WHICH A QUORUM CONSISTING OF AT LEAST A MAJORITY OF THE TOTAL MEMBERSHIP OF THE BOARD IS PRESENT. ANY ACTION OF THE BOARD REQUIRES THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS PRESENT AT THE MEETING.

(c) ONE OR MORE MEMBERS OF THE BOARD MAY PARTICIPATE IN ANY MEETING AND MAY VOTE THROUGH THE USE OF TELECOMMUNICATIONS DEVICES, INCLUDING A CONFERENCE TELEPHONE OR SIMILAR COMMUNICATIONS EQUIPMENT. PARTICIPATION THROUGH TELECOMMUNICATIONS DEVICES CONSTITUTES PRESENCE IN PERSON AT THE MEETING. USE OF TELECOMMUNICATIONS FOR PARTICIPATION DOES NOT SUPERSEDE ANY REQUIREMENTS FOR OPEN MEETINGS OTHERWISE PROVIDED BY LAW.

(5) (a) ALL RESOLUTIONS AND ORDERS OF THE BOARD MUST BE RECORDED AND AUTHENTICATED BY THE SIGNATURE OF THE SECRETARY OR ANY ASSISTANT SECRETARY OF THE BOARD. EVERY LEGISLATIVE ACT OF THE BOARD OF A GENERAL OR PERMANENT NATURE MUST BE BY RESOLUTION. THE BOOK OF RESOLUTIONS, CORPORATE ACTS, AND ORDERS IS A PUBLIC RECORD. A PUBLIC RECORD MUST ALSO BE MADE OF ALL OTHER PROCEEDINGS OF THE BOARD, MINUTES OF THE MEETINGS, ANNUAL REPORTS, CERTIFICATES, CONTRACTS, AND BONDS GIVEN BY OFFICERS, EMPLOYEES, AND ANY OTHER AGENTS OF THE AUTHORITY. THE ACCOUNT OF ALL MONEY RECEIVED BY AND DISBURSED ON BEHALF OF THE AUTHORITY IS A PUBLIC RECORD.

(b) ALL PUBLIC RECORDS OF THE AUTHORITY ARE SUBJECT TO THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24. ALL RECORDS ARE SUBJECT TO ANY BUDGET AND AUDIT LAWS APPLICABLE TO THE AUTHORITY AND MAY BE SUBJECT TO REGULAR AUDIT TO THE EXTENT REQUIRED BY LAW.

(6) ANY BOARD MEMBER, EMPLOYEE, OR OTHER AGENT OR ADVISER OF THE AUTHORITY WHO HAS A DIRECT OR INDIRECT INTEREST IN ANY CONTRACT, TRANSACTION, OR PROPOSAL WITH THE AUTHORITY OR ANY INTEREST, DIRECT OR INDIRECT, IN A NONPROFIT OR FOR-PROFIT ORGANIZATION SUBMITTING A PROPOSAL TO THE AUTHORITY SHALL DISCLOSE THIS INTEREST TO THE AUTHORITY. THIS INTEREST MUST BE SET FORTH IN THE MINUTES OF THE AUTHORITY, AND NO BOARD MEMBER, EMPLOYEE, OR OTHER AGENT OR ADVISER HAVING SUCH INTEREST SHALL PARTICIPATE ON BEHALF OF THE AUTHORITY IN THE AUTHORIZATION OF ANY SUCH CONTRACT OR TRANSACTION.

(7) NO PART OF THE REVENUES OR ASSETS OF THE AUTHORITY SHALL INURE TO THE BENEFIT OF, OR BE DISTRIBUTED TO, ITS MEMBERS OR OFFICERS OR ANY OTHER PRIVATE PERSONS OR ENTITIES.

(8) THE AUTHORITY SHALL NOT DISCRIMINATE BASED ON RACE, CREED, COLOR, NATIONAL ORIGIN, ANCESTRY, RELIGION, SEX, GENDER, SEXUAL ORIENTATION, GENDER IDENTITY, GENDER EXPRESSION, MARITAL STATUS, FAMILIAL STATUS, MILITARY STATUS, HANDICAP, OR PHYSICAL OR MENTAL DISABILITY AND WILL OTHERWISE COMPLY WITH FAIR HOUSING LAWS.

(9) BONDS, CONTRACTS, AND ANY OTHER OBLIGATION OR LIABILITY OF THE AUTHORITY ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT

BONDS, CONTRACTS, OBLIGATIONS, OR OTHERWISE LIABILITIES OF THE STATE. THE STATE HAS NO OBLIGATION OR LIABILITY WITH RESPECT TO ANY BONDS, CONTRACTS, OR OTHER OBLIGATION OR LIABILITY OF THE AUTHORITY.

(10) THE AUTHORITY IS A "PUBLIC ENTITY" AS SET FORTH IN SECTIONS 24-10-103 (5) AND 11-57-203 (3) AND A "SPECIAL PURPOSE AUTHORITY" AS SET FORTH IN SECTION 24-77-102 (15).

(11) THE AUTHORITY AND ITS CORPORATE EXISTENCE CONTINUES UNTIL TERMINATED BY LAW; EXCEPT THAT NO SUCH LAW SHALL TAKE EFFECT SO LONG AS THE AUTHORITY HAS BONDS, NOTES, OR OTHER OBLIGATIONS OUTSTANDING, UNLESS ADEQUATE PROVISION HAS BEEN MADE FOR THE PAYMENT OF SUCH OBLIGATIONS. UPON TERMINATION OF THE EXISTENCE OF THE AUTHORITY, ALL ITS RIGHTS AND PROPERTIES IN EXCESS OF ITS OBLIGATIONS SHALL PASS TO AND BE VESTED IN THE STATE.

(12) (a) THE INCOME AND REVENUE OF THE AUTHORITY, ALL PROPERTY AT ANY TIME OWNED BY THE AUTHORITY, ALL BONDS ISSUED BY THE AUTHORITY, THE INTEREST ON AND OTHER INCOME FROM SUCH BONDS, AND THE TRANSFER OF SUCH BONDS ARE EXEMPT FROM INCOME TAXATION, REAL AND PERSONAL PROPERTY TAXATION, AND ALL OTHER TAXATION AND ASSESSMENTS IN THE STATE. THE PURCHASE AND USE OF PROPERTY BY OR FOR THE BENEFIT OF THE AUTHORITY ARE EXEMPT FROM SALES AND USE TAXES IMPOSED BY THE STATE, A COUNTY, A CITY AND COUNTY, A CITY, ANY OTHER POLITICAL SUBDIVISION OF THE STATE, OR LOCAL GOVERNMENT ENTITY. IN THE RESOLUTION OR INDENTURE AUTHORIZING BONDS, THE AUTHORITY MAY WAIVE THE EXEMPTION FROM FEDERAL INCOME TAXATION FOR INTEREST ON THE BONDS. THE AUTHORITY MAY AGREE TO MAKE PAYMENTS IN LIEU OF PROPERTY OR SALES AND USE TAXES TO THE STATE, A COUNTY, A CITY AND COUNTY, A CITY, ANY POLITICAL SUBDIVISION OF THE STATE, OR LOCAL GOVERNMENT ENTITY.

(b) PROPERTY SOLD BY THE AUTHORITY OR OTHERWISE NOT OWNED BY THE AUTHORITY, A CONTROLLED ENTITY, OR OTHER GOVERNMENTAL ENTITY EXEMPT FROM TAXATION SHALL BE SUBJECT TO ALL TAXATION AND ASSESSMENTS IMPOSED BY THE STATE, A CITY, A COUNTY, A CITY AND COUNTY, ANY OTHER POLITICAL SUBDIVISION OF THE STATE, OR A LOCAL GOVERNMENTAL ENTITY.

(c) IF THE AUTHORITY DESIRES TO VOLUNTARILY SELL AN AFFORDABLE RENTAL HOUSING PROJECT, IT SHALL NOTIFY IN WRITING RELEVANT PUBLIC ENTITIES, INCLUDING STATE AGENCIES, LOCAL GOVERNMENTS, AND PUBLIC HOUSING AUTHORITIES IN THE AREA IN WHICH THE PROJECT IS LOCATED. NOTICE MUST INCLUDE A DESCRIPTION OF THE PROPERTY TO BE SOLD. NOTIFIED PUBLIC ENTITIES HAVE NINETY DAYS AFTER THE DATE OF NOTICE TO SUBMIT A PROPOSED PURCHASE AND SALE AGREEMENT, AND OBTAIN BINDING COMMITMENT FOR ANY NECESSARY FINANCING OR GUARANTEES. AFTER THE NINETY-DAY PERIOD HAS ELAPSED, THE AUTHORITY MAY BROADLY ADVERTISE THE SALE, AND FAVOR BUYERS THAT AGREE TO MAINTAIN THE PROJECT AS AFFORDABLE HOUSING, PROVIDED THAT THE FINANCIAL TERMS OF THE PURCHASE ARE SUFFICIENT TO SATISFY ALL OF THE AUTHORITY'S OBLIGATIONS WITH RESPECT TO THE PROJECT.

(13) A GIFT OR CONTRIBUTION TO OR FOR THE USE OF THE AUTHORITY FOR USE IN

CONNECTION WITH THE ACTIVITIES OF THE AUTHORITY IS TREATED AS A GIFT TO A POLITICAL SUBDIVISION OF THE STATE MADE EXCLUSIVELY FOR PUBLIC PURPOSES.

(14) (a) THE AUTHORITY SHALL CONDUCT AN ANNUAL AUDIT OF ITS FINANCES AND SHALL ADOPT A BUDGET AND WORK PLAN FOR EACH FISCAL YEAR. THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, THE STATE AUDITOR, AND THE GENERAL ASSEMBLY WITHIN SIX MONTHS AFTER THE END OF THE STATE FISCAL YEAR A REPORT THAT SHALL SET FORTH A COMPLETE AND DETAILED OPERATING AND FINANCIAL STATEMENT OF THE AUTHORITY DURING SUCH YEAR. THE REPORT MAY ALSO INCLUDE ANY RECOMMENDATIONS FOR LEGISLATION OR OTHER ACTION THAT MAY BE NECESSARY TO CARRY OUT THE PURPOSES OF THE AUTHORITY.

(b) ON A QUARTERLY BASIS, THE AUTHORITY SHALL SUBMIT A REPORT TO THE GOVERNOR, TO THE STATE AUDITOR, AND TO THE SENATE COMMITTEES ON FINANCE AND HEALTH AND HUMAN SERVICES OR ANY SUCCESSOR COMMITTEE, AND THE HOUSE OF REPRESENTATIVES COMMITTEES ON FINANCE, HEALTH AND INSURANCE AND PUBLIC AND BEHAVIORAL HEALTH AND HUMAN SERVICES OR ANY SUCCESSOR COMMITTEES. ANY DEVELOPER OR OPERATOR OF AN AFFORDABLE RENTAL HOUSING PROJECT MUST PROVIDE TO THE AUTHORITY INFORMATION REQUIRED BY THIS SUBSECTION (13)(b). THE REPORT SHALL INCLUDE FOR EACH AFFORDABLE RENTAL HOUSING PROJECT:

(I) THE NUMBER OF UNITS DEVELOPED AND MUST SPECIFY FOR INCOME-RESTRICTED UNITS AT WHAT AREA MEDIAN INCOME LEVELS;

(II) THE NUMBER OF UNITS OCCUPIED;

(III) THE AVERAGE AREA MEDIAN INCOME BEING SERVED;

(IV) THE ACTUAL RENTS CHARGED FOR EACH UNIT;

(V) ACTUAL INCOMES OF HOUSEHOLDS RESIDING WITHIN THE UNITS AND LENGTH OF OCCUPANCY;

(VI) THE AVERAGE MARKET RENT FOR A UNIT OF THE SAME TYPE, SIZE, AND AMENITIES PRIOR TO THE DEVELOPMENT OF AN AFFORDABLE RENTAL HOUSING PROJECT;

(VII) THE AVERAGE MARKET RENT FOR A UNIT OF THE SAME TYPE, SIZE, AND AMENITIES AFTER ONE YEAR OF OCCUPANCY OF AT LEAST FIFTY PERCENT OF THE UNITS DEVELOPED IN THE AFFORDABLE RENTAL HOUSING PROJECT, AND FOR EACH YEAR THEREAFTER;

(VIII) THE AMOUNT OF MIDDLE-INCOME RENTAL SAVINGS ACCRUED TO THE LOCAL COMMUNITY FROM THE DEVELOPMENT;

(IX) THE AMOUNT OF TAX EXEMPTIONS ACCRUED; AND

(X) THE RENTS CHARGED AND OCCUPANCY RATES OF NONINCOME RESTRICTED UNITS OF HOUSING.

**29-4-1105. General powers.** (1) IN ADDITION TO ANY OTHER POWERS GRANTED TO THE AUTHORITY IN THIS PART 11, THE AUTHORITY HAS THE FOLLOWING POWERS:

(a) TO HAVE THE DUTIES, PRIVILEGES, IMMUNITIES, RIGHTS, LIABILITIES, AND DISABILITIES OF A BODY CORPORATE AND POLITICAL SUBDIVISION OF THE STATE;

(b) TO HAVE PERPETUAL EXISTENCE AND SUCCESSION;

(c) TO ADOPT, HAVE, AND USE A SEAL AND TO ALTER THE SAME AT ITS PLEASURE;

(d) TO SUE AND BE SUED;

(e) TO ENTER INTO ANY CONTRACT OR AGREEMENT NOT INCONSISTENT WITH THIS PART 11 OR THE LAWS OF THE STATE;

(f) TO BORROW MONEY AND TO ISSUE BONDS EVIDENCING THE SAME;

(g) TO PURCHASE, LEASE, LEASE WITH AN OPTION TO PURCHASE, TRADE, EXCHANGE, OR OTHERWISE ACQUIRE, MAINTAIN, HOLD, IMPROVE, MORTGAGE, LEASE, ENCUMBER, AND DISPOSE OF REAL PROPERTY AND PERSONAL PROPERTY, WHETHER TANGIBLE OR INTANGIBLE, AND ANY INTEREST THEREIN, INCLUDING EASEMENTS AND RIGHTS-OF-WAY, WITHOUT RESTRICTION OR LIMITATION;

(h) TO ACQUIRE OFFICE SPACE, EQUIPMENT, SERVICES, SUPPLIES, AND INSURANCE NECESSARY TO CARRY OUT THE PURPOSES OF THIS PART 11;

(i) TO DEPOSIT ANY MONEY OF THE AUTHORITY IN ANY BANKING INSTITUTION WITHIN OR WITHOUT THE STATE OR IN ANY DEPOSITORY AUTHORIZED IN SECTION 24-75-603, AND TO APPOINT, FOR THE PURPOSE OF MAKING SUCH DEPOSITS, ONE OR MORE PERSONS TO ACT AS CUSTODIANS OF THE MONEY OF THE AUTHORITY, WHO SHALL GIVE SURETY BONDS IN SUCH AMOUNTS AND FORM AND FOR SUCH PURPOSES AS THE BOARD REQUIRES;

(j) TO CONTRACT FOR AND TO ACCEPT ANY GIFTS, GRANTS, AND LOANS OF FUNDS, PROPERTY, OR ANY OTHER AID IN ANY FORM FROM THE FEDERAL GOVERNMENT, THE STATE, ANY STATE AGENCY, OR ANY OTHER SOURCE, OR ANY COMBINATION THEREOF, AND TO COMPLY, SUBJECT TO THE PROVISIONS OF THIS PART 11, WITH THE TERMS AND CONDITIONS OF SUCH CONTRACTS OR THE ACCEPTANCE OF SUCH ITEMS;

(k) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS GRANTED IN THIS PART 11, WHICH SPECIFIC POWERS SHALL NOT BE CONSIDERED AS A LIMITATION UPON ANY POWER NECESSARY OR APPROPRIATE TO CARRY OUT THE PURPOSES AND INTENT OF THIS PART 11;

(l) TO FIX THE TIME AND PLACE OR PLACES AT WHICH ITS REGULAR AND SPECIAL MEETINGS ARE TO BE HELD;

(m) TO ADOPT AND FROM TIME TO TIME AMEND OR REPEAL BYLAWS AND RULES AND REGULATIONS CONSISTENT WITH THE PROVISIONS OF THIS PART 11, INCLUDING RULES REGARDING THE DEFINITION AND INTERPRETATION OF TERMS USED IN THIS

PART 11. NOTHING IN THIS SUBSECTION (1)(m) GRANTS THE AUTHORITY THE POWER TO REDEFINE TERMS THAT ARE ALREADY DEFINED IN THIS PART 11.

(n) TO ELECT ONE MEMBER AS CHAIRPERSON OF THE BOARD AND ANOTHER MEMBER AS CHAIRPERSON PRO TEM OF THE BOARD AND TO ELECT ONE OR MORE MEMBERS AS SECRETARY AND TREASURER OF THE BOARD AND ELECT OR APPOINT SUCH OTHER OFFICES AS THE BOARD MAY DETERMINE AND PROVIDE FOR THEIR DUTIES AND TERMS OF OFFICE;

(o) TO APPOINT AGENTS, EMPLOYEES, AND PROFESSIONAL AND BUSINESS ADVISERS, INCLUDING REAL ESTATE PROFESSIONALS, CONSTRUCTION COMPANIES, PROPERTY MANAGERS, ATTORNEYS, ACCOUNTANTS, AND FINANCIAL ADVISERS AS MAY FROM TIME TO TIME BE NECESSARY IN ITS JUDGMENT TO ACCOMPLISH THE PURPOSES OF THIS PART 11, AND TO FIX THE COMPENSATION OF SUCH AGENTS, EMPLOYEES, AND ADVISERS, AND TO ESTABLISH THE POWERS AND DUTIES OF ALL AGENTS, EMPLOYEES, AND ADVISERS, AS WELL AS ANY OTHER PERSON CONTRACTING WITH THE AUTHORITY TO PROVIDE SERVICES, INCLUDING TERMINATION OF EMPLOYMENT OR THE CONTRACT FOR SERVICES;

(p) TO MAKE AND EXECUTE AGREEMENTS, CONTRACTS, AND OTHER INSTRUMENTS NECESSARY OR CONVENIENT IN THE EXERCISE OF THE POWERS AND FUNCTIONS OF THE AUTHORITY UNDER THIS PART 11, INCLUDING BUT NOT LIMITED TO CONTRACTS WITH ANY PERSON, FIRM, CORPORATION, MUNICIPALITY, STATE AGENCY, COUNTY, OR OTHER ENTITY. ALL MUNICIPALITIES, COUNTIES, AND STATE AGENCIES MAY ENTER INTO AND DO ALL THINGS NECESSARY TO PERFORM ANY SUCH ARRANGEMENT OR CONTRACT WITH THE AUTHORITY.

(q) TO ENTER INTO INTEREST RATE EXCHANGE AGREEMENTS FOR BONDS IN ACCORDANCE WITH ARTICLE 59.3 OF TITLE 11; AND

(r) OTHER POWERS NECESSARY TO ACCOMPLISH THE AUTHORITY'S SPECIFIC GOALS AS REQUIRED UNDER THIS PART 11.

**29-4-1106. Additional powers - affordable workforce housing projects.**

(1) IN ADDITION TO THE POWERS SPECIFIED IN SECTION 29-4-1105, THE AUTHORITY HAS THE FOLLOWING POWERS:

(a) TO ACQUIRE, CONSTRUCT, REHABILITATE, OWN, OPERATE, AND FINANCE AFFORDABLE RENTAL HOUSING PROJECTS;

(b) TO CONSULT WITH A QUALIFIED NONPROFIT ORGANIZATION, COUNTY, MUNICIPALITY, HOUSING AUTHORITY, SCHOOL DISTRICT, OR OTHER RELEVANT ENTITY AS DETERMINED BY THE AUTHORITY TO IDENTIFY GAPS IN AFFORDABLE HOUSING CAPACITY, DISPROPORTIONATELY IMPACTED COMMUNITIES, OR OTHER COMMUNITIES OR LOCALITIES IN NEED OF WORKFORCE HOUSING TO GUIDE THE AUTHORITY IN ITS SELECTION OF PROJECT PROPOSALS TO FUND;

(c) TO EXERCISE GENERAL CONTROL AND SUPERVISION OF AFFORDABLE RENTAL HOUSING PROJECTS AND THE LAND THEY ARE LOCATED ON AND EXERCISE PLENARY POWER TO ADOPT ALL BYLAWS AND REGULATIONS PERTAINING TO THE ACQUISITION, FINANCING, DEVELOPMENT, USE, AND OPERATION OF AFFORDABLE RENTAL HOUSING

PROJECTS IN ORDER TO ADVANCE THE STATE INTEREST IN THE PROVISION OF AFFORDABLE RENTAL WORKFORCE HOUSING PURSUANT TO THIS PART 11, NOT IN CONFLICT WITH THE LAW, AS THE BOARD MAY DEEM NECESSARY TO SECURE THE SUCCESSFUL OPERATION OF THE AUTHORITY AND PROMOTE THE PURPOSES OF THIS PART 11;

(d) TO MAKE AND ENTER INTO CONTRACTS OR AGREEMENTS WITH ANY PRIVATE OR PUBLIC ENTITY TO FACILITATE A PUBLIC-PRIVATE PARTNERSHIP, INCLUDING:

(I) AN AGREEMENT FOR THE AUTHORITY TO ACQUIRE, CONSTRUCT, FINANCE, OR OPERATE PROPERTY OR SERVICES IN CONNECTION WITH AN AFFORDABLE RENTAL HOUSING PROJECT OR HOUSING ASSISTANCE CONSISTENT WITH THE PROVISIONS OF THIS PART 11; OR

(II) AN AGREEMENT FOR A PRIVATE ENTITY TO ACQUIRE, CONSTRUCT, FINANCE, OR OPERATE PROPERTY OR SERVICES IN CONNECTION WITH AN AFFORDABLE RENTAL HOUSING PROJECT OR HOUSING ASSISTANCE CONSISTENT WITH THE PROVISIONS OF THIS PART 11;

(e) TO CONTRACT WITH EXPERIENCED REAL ESTATE PROFESSIONALS WITH A PROVEN TRACK RECORD IN DEVELOPING AND OPERATING PROJECTS OF SIMILAR SCALE AND COMPLEXITY FOR THE DEVELOPMENT AND OPERATION OF AFFORDABLE RENTAL HOUSING PROJECTS AND TO EMPLOY ITS OWN PERSONNEL OR CONTRACT WITH PUBLIC OR PRIVATE ENTITIES, OR BOTH, FOR OTHER SERVICES NECESSARY OR CONVENIENT TO THE CONDUCT OF ALL OF THE AUTHORITY'S OTHER ACTIVITIES. THE AUTHORITY SHALL HIRE FULL-TIME STAFF WHO ARE FULL-TIME EMPLOYEES OF THE AUTHORITY AND ARE RESPONSIBLE FOR COMPLIANCE WITH PUBLIC MEETING LAWS AND OPEN RECORDS REQUESTS, AFFORDABLE RENTAL HOUSING PROJECT PROPOSAL SOLICITATION AND REVIEW, AND REPORTING.

(f) TO PROVIDE HOUSING ASSISTANCE TO A TENANT IN A RENTAL UNIT OF AN AFFORDABLE RENTAL HOUSING PROJECT IN ORDER FOR THE TENANT TO TRANSITION TO HOME OWNERSHIP ON AFFORDABLE TERMS, PROVIDED THAT:

(I) ANY FUNDS USED FOR SUCH ASSISTANCE ARE DEEMED TO BE EXCESS FUNDS FROM THOSE FUNDS NEEDED TO DEVELOP AND OPERATE AN AFFORDABLE RENTAL HOUSING PROJECT; AND

(II) THE HOUSING ASSISTANCE MAY TAKE THE FORM OF A GRANT, A SUBORDINATED LOAN, OR AN INTEREST IN THE RESIDENTIAL PROPERTY PURCHASED BY THE TENANT; AND

(g) IN ORDER TO ISOLATE OPERATING RISK ON A PROJECT-BY-PROJECT BASIS, TO ESTABLISH, OR ADOPT A RESOLUTION APPROVING THE ESTABLISHMENT OF, ONE OR MORE CONTROLLED ENTITIES ON A PER-PROJECT BASIS FOR THE DURATION OF THE AFFORDABLE RENTAL HOUSING PROJECT UNLESS THE CONTROLLED ENTITY MUST OVERSEE MORE THAN ONE AFFORDABLE RENTAL HOUSING PROJECT AS DEMONSTRATED BY AN APPLICANT FOR FUNDING TO THE AUTHORITY, PROVIDED THAT:

(I) THE CONTROLLED ENTITY MAY BE A NONPROFIT CORPORATION, LIMITED

LIABILITY COMPANY, OR OTHER ENTITY FORMED PURSUANT TO STATE LAW AND THE AUTHORITY SHALL BE THE SOLE MEMBER OF THE ENTITY;

(II) THE AUTHORITY SHALL APPOINT THE GOVERNING BODY OF OR AGENT TO OVERSEE THE CONTROLLED ENTITY AND MAY REMOVE A MEMBER OF THE GOVERNING BODY OR AGENT FOR CAUSE;

(III) ANY REVENUE OF THE CONTROLLED ENTITY NOT REQUIRED TO PAY ITS EXPENSES AND OBLIGATIONS AND TO FUND RESERVES THEREFOR FOR SUCH EXPENSES AND OBLIGATIONS AND, UPON DISSOLUTION OF THE CONTROLLED ENTITY, ANY ASSETS OF THE CONTROLLED ENTITY NOT REQUIRED TO PAY ITS EXPENSES AND OBLIGATIONS MUST BE DISTRIBUTED TO OR AT THE DIRECTION OF THE AUTHORITY AND SHALL NOT BE USED FOR OR ACCRUE TO THE BENEFIT OF ANY PRIVATE INTERESTS;

(IV) THE AUTHORITY MAY LOAN PROCEEDS FROM BONDS ISSUED BY THE AUTHORITY TO THE CONTROLLED ENTITY; AND

(V) THE CONTROLLED ENTITY SHALL ENJOY THE SAME PRIVILEGES AND IMMUNITIES AS THE AUTHORITY, INCLUDING BUT NOT LIMITED TO THE EXEMPTIONS FROM TAXATION PURSUANT TO SECTION 29-4-1104 (12)(a).

**29-4-1107. Powers of the board - selection of projects - ownership - report.**

(1) (a) ON OR BEFORE APRIL 1, 2023, THE AUTHORITY SHALL PUBLISH THE FIRST SOLICITATION FOR PROPOSALS AS PART OF AN INITIAL PILOT PROGRAM AND MUST COMPLETE THE REVIEW AND SELECTION PROCESS ON OR BEFORE JULY 1, 2023, IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN THIS SECTION. THE AUTHORITY MAY CONTINUE TO SOLICIT PROPOSALS AS PART OF THE INITIAL PILOT PROGRAM; EXCEPT THAT THE AUTHORITY SHALL SELECT PROPOSED AFFORDABLE RENTAL HOUSING PROJECTS THAT WILL DEVELOP AN AGGREGATE OF NOT MORE THAN THREE THOUSAND FIVE HUNDRED UNITS. AFFORDABLE RENTAL HOUSING PROJECTS SELECTED IN THE INITIAL PILOT PROGRAM MUST HAVE GEOGRAPHIC, INCOME, AND PROJECT-SIZE DIVERSITY AND BE BY A VARIETY OF DEVELOPER ENTITIES. WHEN THE AUTHORITY HAS DETERMINED IT HAS ENOUGH INFORMATION FROM THE PILOT PROGRAM SET FORTH IN THIS SUBSECTION (1)(a), THE AUTHORITY SHALL PREPARE A REPORT AND PUBLICLY PRESENT TO THE GENERAL ASSEMBLY A COMPREHENSIVE EVALUATION OF THE AUTHORITY'S IMPACT ON MIDDLE-INCOME INDIVIDUALS AND FAMILIES AND ON HOUSING OF ALL TYPES IN THE STATE. THE REPORT MUST INCLUDE RECOMMENDATIONS ON WHETHER THE PILOT PROGRAM SHOULD END AND RECOMMENDATIONS FOR LEGISLATIVE CHANGES TO IMPROVE OR MODIFY THE PROGRAM AS IMPLEMENTED BY THE AUTHORITY.

(b) SUBJECT TO THE PROVISIONS OF SUBSECTION (1)(a) OF THIS SECTION, THE AUTHORITY SHALL SELECT AFFORDABLE RENTAL HOUSING PROJECTS BASED ON PROPOSALS FROM LOCAL GOVERNMENTS, HOUSING AUTHORITIES, NONPROFIT ORGANIZATIONS SPECIALIZING IN HOUSING, AND EXPERIENCED REAL ESTATE PROFESSIONALS WITH PROVEN TRACK RECORDS IN DEVELOPING AND OPERATING PROJECTS OF SIMILAR SCALE AND COMPLEXITY USING A FAIR AND TRANSPARENT PROCESS THAT CREATES COMPETITION AND LIMITS PRIVATE SECTOR DEVELOPMENT FEES TO AN AMOUNT THAT IS LESS THAN THE PRIVATE SECTOR DEVELOPMENT FEES THAT ARE CUSTOMARILY RECEIVED AS OF THE EFFECTIVE DATE OF THIS PART 11 FOR

PROJECTS RECEIVING A FEDERAL LOW-INCOME HOUSING TAX CREDIT PROVIDED BY SECTION 42 OF THE "INTERNAL REVENUE CODE OF 1986", REFERRED TO IN THIS SECTION AS THE "LIHTC". THE AUTHORITY'S OVERALL PORTFOLIO OF AFFORDABLE RENTAL HOUSING PROJECTS MUST MAINTAIN THAT EIGHTY PERCENT ARE NEW BUILD CONSTRUCTION PROJECTS.

(c) THE AUTHORITY SHALL ESTABLISH A PROCESS FOR SOLICITING AND EVALUATING PROPOSALS AND SELECTING PROJECTS THAT INCLUDES BUT IS NOT LIMITED TO PRIORITIZATION CRITERIA THAT GIVES PREFERENCE TO PROPOSED AFFORDABLE RENTAL HOUSING PROJECTS THAT PROMOTE ONE OR MORE OF THE FOLLOWING GOALS AND OBJECTIVES:

(I) INCREASE THE SUPPLY OF AFFORDABLE WORKFORCE HOUSING IN URBAN, RURAL, AND RURAL RESORT COMMUNITIES ACROSS THE STATE, AS EACH TERM IS CLASSIFIED PURSUANT TO SUBSECTION (1)(d) OF THIS SECTION, THAT RESPONDS TO EACH COMMUNITY'S DEMONSTRATED NEED FOR MIDDLE-INCOME PROJECTS IN WHICH AT LEAST SIXTY PERCENT OF UNITS WITHIN A PARTICULAR DEVELOPMENT ARE AVAILABLE TO RENT OR ARE ACTIVELY RENTED TO MIDDLE-INCOME INDIVIDUALS AND FAMILIES AS DEFINED IN SECTION 29-4-1103 (7);

(II) CREATE OPPORTUNITIES TO BUILD INTERGENERATIONAL WEALTH FOR FAMILIES;

(III) MEANINGFULLY CONTRIBUTE TO THE ALLEVIATION OF HOUSING PRESSURES THE LOCAL WORKFORCE FACES;

(IV) PROVIDE FOR THE LONG-TERM AFFORDABILITY OF RENTAL UNITS;

(V) HAVE MINIMAL NEGATIVE IMPACT ON EXISTING OR PLANNED AFFORDABLE HOUSING PROJECTS IN THE STATE, WHICH IMPACTS SHALL BE EVALUATED BY THE AUTHORITY IN CONSULTATION WITH OTHER HOUSING AUTHORITIES, NONPROFITS, LOCAL GOVERNMENTS, OR ANY OTHER APPLICABLE ENTITY;

(VI) TARGET A DIVERSE RANGE OF INCOME LEVELS WITHIN THE INCOME RESTRICTED HOUSING COMPONENT FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES AS SET FORTH IN SECTION 29-4-1103 (7) AND PROPOSES AT LEAST THIRTY PERCENT OF THE RENTAL UNITS FOR INDIVIDUALS AND FAMILIES WITH ANNUAL INCOME OF THE HOUSEHOLD AT EIGHTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED OR DEMONSTRABLY TARGETS THE LOWEST POSSIBLE AREA MEDIAN INCOME FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES AS SET FORTH IN SECTION 29-4-1103 (7) GIVEN THE PROPOSED SCOPE OF THE DEVELOPMENT; AND

(VII) PROMOTE MIXED-INCOME DEVELOPMENT WHERE A PERCENTAGE OF UNITS, PROPORTIONAL TO THE LOCAL DEMONSTRATED HOUSING NEEDS WITHIN A PARTICULAR DEVELOPMENT, HAVE RESTRICTED AVAILABILITY TO HOUSEHOLDS AT THE INCOME LEVELS FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES AS SET FORTH IN SECTION 29-4-1103 (7). THE PERCENTAGE OF RESTRICTED UNITS AND AFFORDABILITY LEVELS MUST COMPLY WITH ANY LOCAL LAWS PROMOTING THE DEVELOPMENT OF NEW AFFORDABLE HOUSING UNITS PURSUANT TO SECTION 29-20-104 (1).

(d) ON OR BEFORE SEPTEMBER 1, 2022, THE DIVISION OF HOUSING, CREATED IN SECTION 24-32-704 (1), SHALL CLASSIFY EACH COUNTY IN THE STATE AS "URBAN", "RURAL", OR "RURAL RESORT" BASED UPON THE DEFINITIONS OF THE TERMS AS SPECIFIED IN THE FINAL REPORT OF THE COLORADO STRATEGIC HOUSING WORKING GROUP, DATED JULY 6, 2021. THE DIVISION OF HOUSING SHALL REGULARLY UPDATE AND PUBLISH MODIFICATIONS OF THIS INITIAL CLASSIFICATION.

(2) (a) IN ADDITION TO ANY OTHER CRITERIA ESTABLISHED BY THE AUTHORITY, A PROPOSAL MUST:

(I) INCLUDE A COMPREHENSIVE PLAN OF FINANCE TO FINANCE THE AFFORDABLE RENTAL HOUSING PROJECT FROM THE PROCEEDS OF BONDS ISSUED BY THE AUTHORITY AND SOLD BY APPROVED UNDERWRITERS IDENTIFIED IN THE PROPOSAL AND OTHER SOURCES, WITH ALL BONDS ISSUED BY THE AUTHORITY BEING PAYABLE SOLELY FROM REVENUE GENERATED BY AND SECURED SOLELY BY THE AFFORDABLE RENTAL HOUSING PROJECT USING INITIAL RESTRICTED RENTS AND WITH NO UPWARD TRENDING OF RENTS, EXCEPT AS OTHERWISE ALLOWED UNDER THIS PART 11, WITH NO FINANCIAL OBLIGATION OR OTHER LIABILITY OF THE STATE;

(II) SHOW HOW THE DEVELOPMENT ALIGNS WITH THE IDENTIFIED NEEDS OF A COMMUNITY WHERE THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED, AS DEFINED IN THE COMMUNITY'S HOUSING NEEDS ASSESSMENT, WHERE AVAILABLE;

(III) INCLUDE AN ESTIMATE OF THE RENT SAVINGS TO INCOME-RESTRICTED TENANTS, AN ESTIMATE OF THE TAX SAVINGS RESULTING FROM THE AFFORDABLE RENTAL HOUSING PROJECT'S EXEMPTION FROM STATE AND LOCAL TAXES, A COMPARISON OF THE ESTIMATED RENT SAVINGS AND ESTIMATED TAX SAVINGS, AND A DESCRIPTION OF HOW THE TAX SAVINGS WILL BE USED TO PRODUCE RENT SAVINGS OR OTHER BENEFITS TO INCOME-RESTRICTED TENANTS;

(IV) LIMIT PRIVATE SECTOR DEVELOPMENT FEES TO AN AMOUNT LESS THAN THE PRIVATE SECTOR DEVELOPMENT FEES THAT ARE CUSTOMARY FOR LIHTC PROJECTS AS OF THE EFFECTIVE DATE OF THIS PART 11;

(V) COMPLY WITH ALL TERMS OF THIS PART 11; AND

(VI) INCLUDE AN EXPLICIT DISCLAIMER THAT THE STATE HAS NO LIABILITY FOR ANY OBLIGATIONS OF THE AUTHORITY, THAT THE BONDS, CONTRACTUAL, AND OTHER OBLIGATIONS AND LIABILITIES OF THE AUTHORITY ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT BONDS, OBLIGATIONS, OR LIABILITIES OF THE STATE, AND THAT THE STATE SHALL HAVE NO OBLIGATION OR LIABILITY WITH RESPECT TO ANY OF THE BONDS, CONTRACTUAL, OR OTHER OBLIGATIONS OR LIABILITIES OF THE AUTHORITY.

(b) IN ADDITION TO ANY OTHER CRITERIA ESTABLISHED BY THE AUTHORITY, A PROPOSAL MAY PROVIDE THAT A PORTION OF THE BONDS ISSUED BY THE AUTHORITY TO FINANCE THE AFFORDABLE RENTAL HOUSING PROJECT BE SOLD TO INVESTORS IDENTIFIED IN THE PROPOSAL.

(c) AN APPLICANT MAY, AT ANY TIME, REQUEST THAT THE BOARD GRANT THE

APPLICANT AN EXCEPTION TO THE UPPER LIMITS OF THE AREA MEDIAN INCOME LEVELS FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES AS SET FORTH IN SECTION 29-4-1103 (7) BASED UPON DEMONSTRATED UNIQUE ECONOMIC AND HOUSING COST ATTRIBUTES IN THE LOCAL COMMUNITY IN WHICH THE AFFORDABLE RENTAL HOUSING PROJECT IS PROPOSED TO BE LOCATED.

(d) IF REQUIRED BY A LOCAL COMMUNITY IN WHICH A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED, AN APPLICANT MAY REQUEST THAT THE BOARD GRANT THE APPLICANT AN ABILITY TO PROVIDE A LIMITED NUMBER OF UNITS IN THE AFFORDABLE RENTAL HOUSING PROJECT BELOW EIGHTY PERCENT OF AREA MEDIAN INCOME, ONLY AS IS REQUIRED BY LOCAL ORDINANCE, ZONING INCENTIVES, OR SIMILAR RULES AND REGULATIONS IN THE LOCAL COMMUNITY IN WHICH THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED. A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT THAT RECEIVES A WAIVER BY THE BOARD PURSUANT TO THIS SUBSECTION (2)(d) MUST STILL HAVE A PRIMARY PURPOSE OF PROVIDING RENTAL HOUSING FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES.

(3) TO INCENTIVIZE QUALITY AFFORDABLE RENTAL HOUSING PROJECTS THAT WILL OPERATE CONSISTENTLY AND EFFICIENTLY, IN EVALUATING PROPOSALS THE AUTHORITY SHALL FAVOR PROPOSALS THAT INCLUDE AN AGREEMENT FROM THE DEVELOPER AND THE OPERATOR IDENTIFIED IN THE PROPOSAL TO CONTINUE AS DEVELOPER AND OPERATOR OF THE AFFORDABLE RENTAL HOUSING PROJECT FOR A PERIOD OF AT LEAST TEN YEARS, SUBJECT TO THE AUTHORITY'S RIGHT TO REMOVE THEM.

(4)(a) THE AUTHORITY SHALL ESTABLISH A PROCESS TO PROVIDE NOTIFICATION TO LOCAL GOVERNMENTAL ENTITIES WHERE A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED PRIOR TO SELECTION OF THE PROJECT.

(b) (I) THE AUTHORITY MUST PROVIDE AND DELIVER WRITTEN NOTICE OF A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT TO THE COUNTY AND MUNICIPALITY WHERE THE PROJECT IS PROPOSED TO BE LOCATED WITHIN FOURTEEN DAYS OF THE AUTHORITY RECEIVING A PROJECT PROPOSAL. THE COUNTY OR MUNICIPALITY MAY OBJECT TO A PROJECT IN ACCORDANCE WITH THIS SUBSECTION (4)(b) AT ANY TIME WITHIN NINETY DAYS AFTER RECEIPT OF THE NOTICE. THE AUTHORITY SHALL NOT SELECT A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT IF THE COUNTY OR MUNICIPALITY IN WHICH THE PROJECT IS TO BE LOCATED OBJECTS TO THE PROJECT IN ACCORDANCE WITH THIS SUBSECTION (4)(b).

(II) EACH COUNTY AND MUNICIPALITY IN WHICH A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED MUST SOLICIT FEEDBACK FROM OTHER LOCAL GOVERNMENTAL JURISDICTIONS IN THE AREA IN WHICH THE PROJECT WILL BE LOCATED TO DETERMINE THE IMPACT OF THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT ON THE OTHER LOCAL GOVERNMENTAL JURISDICTIONS.

(III) DURING THE NINETY DAY NOTICE PERIOD PURSUANT TO SUBSECTION (4)(b)(I) OF THIS SECTION, THE AUTHORITY SHALL USE BEST EFFORTS TO WORK IN COOPERATION WITH OVERLAPPING LOCAL GOVERNMENTAL ENTITIES FOR ANY PROPOSED AFFORDABLE RENTAL HOUSING PROJECT. IF AFTER NEGOTIATIONS, A COUNTY OR A MUNICIPALITY, OR BOTH, WITHIN WHICH BOUNDARIES A PROPOSED

AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED AND THAT HAS OPTED INTO THE PILOT PROGRAM SET FORTH IN SUBSECTION (1)(a) OF THIS SECTION, PROVIDES WRITTEN NOTICE TO THE AUTHORITY THAT THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT IS NOT FEASIBLE AS PROPOSED, WITH THE REASONS WHY THE PROJECT IS NOT FEASIBLE, THE AUTHORITY SHALL NOT SELECT THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT OR SHALL REQUEST THAT THE PROPOSAL BE RESUBMITTED FOR RECONSIDERATION BY THE AUTHORITY AND THE APPLICABLE COUNTY OR MUNICIPALITY, OR BOTH, AND SHALL TAKE INTO ACCOUNT FEEDBACK RECEIVED FROM THE LOCAL GOVERNMENTAL ENTITIES. NOTHING IN THIS SUBSECTION (4)(b)(III) PRECLUDES A LOCAL GOVERNMENT FROM OBJECTING TO A PROJECT PROPOSAL THAT IS RESUBMITTED TO THE AUTHORITY. IF THE PROPOSAL IS APPROVED BY THE COUNTY OR MUNICIPALITY, OR BOTH AS APPLICABLE, OR IF NO FEEDBACK IS RECEIVED BY THE AUTHORITY FROM THE COUNTY OR MUNICIPALITY, OR BOTH AS APPLICABLE, THEN THE AUTHORITY MAY SELECT THE AFFORDABLE RENTAL HOUSING PROJECT.

(IV) IF A COUNTY OR MUNICIPALITY HAS NOT APPROVED OR OBJECTED TO THE PROJECT WITHIN SEVENTY-FIVE DAYS OF THE DATE THE AUTHORITY DELIVERS ITS FIRST NOTICE REGARDING THE PROPOSED PROJECT IN ACCORDANCE WITH SUBSECTION (4)(b)(I) OF THIS SECTION, THE AUTHORITY MUST DELIVER A SECOND NOTICE REMINDING THE COUNTY OR MUNICIPALITY THAT ANY OBJECTIONS TO THE PROPOSED PROJECT ARE DUE WITHIN NINETY DAYS AFTER RECEIPT OF THE FIRST NOTICE SENT PURSUANT TO SUBSECTION (4)(b)(I) OF THIS SECTION.

(V) A COUNTY OR MUNICIPALITY MAY APPROVE A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT AT ANY TIME, WHICH APPROVAL ENDS THE NINETY DAY OBJECTION PERIOD SET FORTH IN THIS SUBSECTION (4)(b). THE AUTHORITY MAY OFFER INCENTIVES TO OBTAIN SUCH APPROVAL.

(5) WHEN AN AFFORDABLE RENTAL HOUSING PROJECT IS SELECTED, THE AUTHORITY SHALL ENTER INTO A CONTRACT WITH THE PERSON OR GROUP THAT SUBMITS THE PROPOSAL BASED ON THE TERMS SET FORTH IN THE PROPOSAL AND ANY ADDITIONAL TERMS DEEMED APPROPRIATE BY THE AUTHORITY AND IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN THIS PART 11. THE AUTHORITY MAY ESTABLISH ADDITIONAL RESTRICTIONS ON DEVELOPER FEES, INCLUDING CAPS ON OPERATING FEES AND OTHER MARKUPS, WHICH SHALL BE SET FORTH IN THE CONTRACT.

(6) ALL INTERESTS OF THE PERSON OR GROUP WHOSE PROPOSAL FOR AN AFFORDABLE RENTAL HOUSING PROJECT IS SELECTED WILL BE TRANSFERRED TO THE AUTHORITY; EXCEPT THAT, AND SUBJECT TO APPROVAL BY THE AUTHORITY, A HOUSING AUTHORITY WHOSE PROPOSAL IS SELECTED MAY RETAIN A PORTION OF INTEREST IN THE AFFORDABLE RENTAL HOUSING PROJECT. NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION (6), THE PERSON OR GROUP OF A SELECTED AFFORDABLE RENTAL HOUSING PROJECT SHALL NOT RETAIN OR OTHERWISE BE ENTITLED TO ANY INTEREST IN THE AFFORDABLE RENTAL HOUSING PROJECT OR ANY RIGHT TO PAYMENTS FROM THE REVENUES FROM THE AFFORDABLE RENTAL HOUSING PROJECT TRANSFERRED TO THE AUTHORITY, EXCEPT FOR THE PERSON'S OR GROUP'S RIGHT TO COMPENSATION AND TO REIMBURSEMENT FOR EXPENSES, WHICH SHALL BE CLEARLY DETAILED IN THE CONTRACT BETWEEN THE AUTHORITY AND THE PERSON OR GROUP SET FORTH IN SUBSECTION (5) OF THIS SECTION.

(7) AN AFFORDABLE RENTAL HOUSING PROJECT AND REVENUE FROM AN AFFORDABLE RENTAL HOUSING PROJECT PROPOSED BY A PERSON OR GROUP SHALL NOT BE PLEDGED OR OTHERWISE USED FOR THE PAYMENT OF BONDS OR OTHER OBLIGATIONS OF PROJECTS PROPOSED BY ANY OTHER PERSON OR GROUP WITHOUT THE CONSENT OF BOTH THE PERSON OR GROUP AND OTHER PERSON OR GROUP.

(8) THE AFFORDABLE RENTAL HOUSING PROJECTS, ASSETS OF THE AUTHORITY, AND THE APPRECIATION IN VALUE AND PROCEEDS OF ANY SALE OF AN AFFORDABLE RENTAL HOUSING PROJECT MUST BE USED TO PROVIDE AFFORDABLE MIDDLE-INCOME WORKFORCE HOUSING AND SHALL NOT BE DIVERTED TO ANY OTHER USE OR FOR ANY OTHER PURPOSE WHILE THE AUTHORITY IS IN EXISTENCE.

(9) THE AUTHORITY SHALL CONTRACT WITH AN OUTSIDE GROUP TO EVALUATE THE SUCCESS OF ITS AFFORDABLE RENTAL HOUSING PROJECTS.

(10) (a) INCOME-RESTRICTED RENTAL UNITS IN AFFORDABLE RENTAL HOUSING PROJECTS MUST BE AFFORDABLE MIDDLE-INCOME WORKFORCE HOUSING, AND RENTS FOR UNITS OF AFFORDABLE RENTAL HOUSING PROJECTS MUST REMAIN AS STABLE AS IS FINANCIALLY FEASIBLE. TO DETERMINE RENT, THE BOARD SHALL CONSIDER INFORMATION FROM MARKET STUDIES PREPARED IN CONNECTION WITH THE DEVELOPMENT OF THE AFFORDABLE RENTAL HOUSING PROJECT AND OTHER AVAILABLE INFORMATION ADJUSTED AS THE BOARD DEEMS APPROPRIATE FOR THE PERIOD SINCE THE INFORMATION WAS COMPILED AND ANY ADDITIONAL FACTS AND CIRCUMSTANCES APPLICABLE TO THE AFFORDABLE RENTAL HOUSING PROJECT AND THE AREA IN WHICH IT IS LOCATED, WITH A GOAL OF NOT EXCEEDING THIRTY PERCENT OF THE INDIVIDUAL'S OR FAMILY'S INCOME. RENT SET BY THE AUTHORITY FOR INCOME-RESTRICTED UNITS MUST BE AT LEAST TEN PERCENT BELOW MARKET RENTAL RATES AND SHALL NOT EXCEED MAXIMUM RENTS FOR HOUSEHOLDS OF A GIVEN SIZE AND INCOME LEVEL AS ESTABLISHED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR PUBLISHED BY THE COLORADO DIVISION OF HOUSING OR OTHER STATEWIDE AUTHORITY ON HOUSING.

(b) RENTAL UNITS IN AN AFFORDABLE RENTAL HOUSING PROJECT SHALL NOT BE RENTED ON A SHORT-TERM BASIS.

(11) THE AUTHORITY SHALL CREATE PRIORITIES FOR SELECTING TENANTS FOR UNITS IN AN AFFORDABLE RENTAL HOUSING PROJECT THAT FAVOR INDIVIDUALS WHO WORK, OR FAMILIES WHERE AT LEAST ONE MEMBER OF THE FAMILY WORKS, IN THE AREA IN WHICH THE AFFORDABLE RENTAL HOUSING PROJECT IS LOCATED, IN ADDITION TO OTHER PRIORITIES THAT THE BOARD DETERMINES ARE APPROPRIATE BASED ON THE FACTS AND CIRCUMSTANCES APPLICABLE TO THE AFFORDABLE RENTAL HOUSING PROJECT AND THE AREA IN WHICH IT IS LOCATED.

(12) THE AUTHORITY SHALL NOT UTILIZE STATE FUNDING WHERE THE MONEY ORIGINATES FROM THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS THE ACT MAY BE SUBSEQUENTLY AMENDED, FOR ANY LOAN, GRANT, OR OTHER PROGRAM ESTABLISHED BY SENATE BILLS 22-146, 22-159, AND 22-160, ENACTED IN 2022, AND HOUSE BILLS 22-1282 AND 22-1304, ENACTED IN 2022.

(13) THE AUTHORITY SHALL NOT USE ANY FUNDING AVAILABLE TO IT TO ACQUIRE EXISTING PROPERTIES SUPPORTED WITH THE FEDERAL LOW-INCOME HOUSING TAX

CREDIT PROVIDED BY SECTION 42 OF THE INTERNAL REVENUE CODE, THE COLORADO STATE AFFORDABLE HOUSING TAX CREDIT AUTHORIZED UNDER PART 21 OF ARTICLE 22 OF TITLE 39, OR THE UNITED STATES DEPARTMENT OF AGRICULTURE 515 RURAL RENTAL HOUSING LOAN PROGRAM SUBSIDIZED PROPERTIES.

(14) THE AUTHORITY SHALL NOT ISSUE EXEMPT FACILITY BONDS, AS DEFINED IN SECTION 142(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, USE PRIVATE ACTIVITY BONDS VOLUME CAP ALLOCATION IN THE ISSUANCE OF ANY BONDS, OR RECEIVE A DIRECT ALLOCATION, STATEWIDE BALANCE AWARD OR ASSIGNMENT OF ALLOCATION OF STATE CEILING UNDER THE COLORADO PRIVATE ACTIVITY BOND CEILING ALLOCATION ACT SET FORTH IN PART 17 OF ARTICLE 32 OF TITLE 24, AND THE AUTHORITY SHALL NOT USE FEDERAL LIHTC OR STATE AFFORDABLE HOUSING TAX CREDITS FOR ITS AFFORDABLE RENTAL HOUSING PROJECTS.

**29-4-1108. Relationship of authority and other jurisdictions.** (1) THE PROVISION OF AFFORDABLE RENTAL HOUSING BY THE AUTHORITY IS A MATTER OF STATEWIDE CONCERN AND THEREFORE EACH COUNTY, MUNICIPALITY, OR SPECIAL DISTRICT IN WHICH AN AFFORDABLE RENTAL HOUSING PROJECT IS LOCATED, IN CONNECTION WITH THE PROJECT, SHALL PROVIDE GOVERNMENTAL SERVICES OF THE SAME CHARACTER AND TO THE SAME EXTENT AS SERVICES PROVIDED FOR OTHER RESIDENTS OF THE COUNTY, MUNICIPALITY, OR SPECIAL DISTRICT.

(2) NOTWITHSTANDING THE PROVISIONS SET FORTH IN SUBSECTION (1) OF THIS SECTION, THE AUTHORITY MAY ENTER INTO CONTRACTUAL OR INTERGOVERNMENTAL AGREEMENTS WITH ANY COUNTY, MUNICIPALITY, OR SPECIAL DISTRICT FOR THE PROVISION OF ANY ADDITIONAL COMMUNITY, MUNICIPAL, OR PUBLIC FACILITIES OR SERVICES NECESSARY OR DESIRABLE FOR ANY AFFORDABLE RENTAL HOUSING PROJECT.

(3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE STATE, ANY STATE AGENCY, ANY COUNTY, AND ANY MUNICIPALITY IN WHICH A PROJECT IS OR IS TO BE LOCATED, AND ANY BOARD, AUTHORITY, AGENCY, DEPARTMENT, COMMISSION, PUBLIC CORPORATION, OR INSTRUMENTALITY OF SUCH COUNTY OR MUNICIPALITY, HAS THE POWER TO LEND OR GRANT MONEY OR ANY OTHER FORM OF PROPERTY, REAL, PERSONAL, OR MIXED, TO THE AUTHORITY AND TO ENTER INTO CONTRACTS TO MAKE SUCH LOANS AND GRANTS, ALL UPON WHICH SUCH TERMS AND CONDITIONS AS THE AUTHORITY AND THE STATE, STATE AGENCY, COUNTY, OR MUNICIPALITY MAY AGREE.

**29-4-1109. Bonds.** (1) (a) THE AUTHORITY MAY ISSUE BONDS TO FINANCE ITS AFFORDABLE RENTAL HOUSING PROJECTS OR TO ACCOMPLISH OR FURTHER ANY OF ITS POWERS OR DUTIES RELATING TO AFFORDABLE RENTAL HOUSING PROJECTS.

(b) BONDS MUST BE ISSUED PURSUANT TO RESOLUTION OF THE BOARD, ARE PAYABLE SOLELY FROM ALL OR A SPECIFIED PORTION OF THE REVENUES OR ASSETS OF THE AUTHORITY AND MAY BE SECURED BY A MORTGAGE, DEED OF TRUST, PLEDGE, OTHER SECURITY INTEREST IN OR ENCUMBRANCE ON ANY OF THE REVENUE, PROPERTY, OR ASSETS OF THE AUTHORITY.

(c) BONDS MAY BE EXECUTED AND DELIVERED BY THE AUTHORITY AT SUCH

TIMES; MAY BE IN SUCH FORM AND DENOMINATIONS AND INCLUDE SUCH TERMS AND MATURITIES; MAY BE SUBJECT TO OPTIONAL OR MANDATORY REDEMPTION PRIOR TO MATURITY WITH OR WITHOUT A PREMIUM; MAY BE IN FULLY REGISTERED FORM OR BEARER FORM REGISTRABLE AS TO PRINCIPAL OR INTEREST OR BOTH; MAY BEAR SUCH CONVERSION PRIVILEGES; MAY BE PAYABLE IN SUCH INSTALLMENTS AND AT SUCH TIMES NOT EXCEEDING FORTY-FIVE YEARS FROM THE DATE THEREOF; MAY BE PAYABLE AT SUCH PLACE OR PLACES WHETHER WITHIN OR WITHOUT THE STATE; MAY BEAR INTEREST AT SUCH RATE OR RATES PER ANNUM, WHICH MAY BE FIXED OR VARY ACCORDING TO INDEX, PROCEDURE, OR FORMULA OR AS DETERMINED BY THE AUTHORITY OR ITS AGENTS, WITHOUT REGARD TO ANY INTEREST RATE LIMITATION APPEARING IN ANY OTHER LAW OF THE STATE; MAY BE SUBJECT TO PURCHASE AT THE OPTION OF THE HOLDER OR THE AUTHORITY; MAY BE EVIDENCED IN SUCH MANNER; MAY BE EXECUTED BY SUCH OFFICERS OF THE AUTHORITY, INCLUDING THE USE OF ONE OR MORE FACSIMILE SIGNATURES SO LONG AS AT LEAST ONE MANUAL SIGNATURE APPEARS ON THE BONDS, WHICH MAY BE EITHER OF AN OFFICER OF THE AUTHORITY OR OF AN AGENT AUTHENTICATING THE SAME; MAY BE IN THE FORM OF COUPON BONDS THAT HAVE ATTACHED INTEREST COUPONS BEARING A MANUAL OR FACSIMILE SIGNATURE OF AN OFFICER OF THE AUTHORITY; AND MAY CONTAIN SUCH PROVISIONS NOT INCONSISTENT WITH THIS PART 11, ALL AS PROVIDED IN THE RESOLUTION OF THE BOARD UNDER WHICH THE BONDS ARE AUTHORIZED TO BE ISSUED OR AS PROVIDED IN A TRUST INDENTURE BETWEEN THE AUTHORITY AND ANY COMMERCIAL BANK OR TRUST COMPANY HAVING FULL TRUST POWERS.

(d) BONDS MAY BE SOLD AT PUBLIC OR PRIVATE SALE AT SUCH PRICE OR PRICES, IN SUCH MANNER, AND AT SUCH TIMES AS DETERMINED BY THE BOARD, AND THE AUTHORITY MAY PAY ALL FEES, EXPENSES, AND COMMISSIONS THAT IT DEEMS NECESSARY OR ADVANTAGEOUS IN CONNECTION WITH THE SALE OF THE BONDS. THE POWER TO FIX THE DATE OF SALE OF THE BONDS, TO RECEIVE BIDS OR PROPOSALS, TO AWARD AND SELL BONDS, TO FIX INTEREST RATES, AND TO TAKE ALL OTHER ACTION NECESSARY TO SELL AND DELIVER THE BONDS MAY BE DELEGATED TO AN OFFICER OR AGENT OF THE AUTHORITY.

(e) ANY OUTSTANDING BONDS MAY BE REFUNDED BY THE AUTHORITY PURSUANT TO ARTICLE 56 OF TITLE 11.

(f) ALL BONDS AND ANY INTEREST COUPONS APPLICABLE TO THE BONDS ARE DECLARED TO BE NEGOTIABLE INSTRUMENTS.

(g) THE RESOLUTION OR TRUST INDENTURE AUTHORIZING THE ISSUANCE OF THE BONDS MAY PLEDGE ALL OR A PORTION OF THE REVENUES AND ASSETS OF THE AUTHORITY; MAY GRANT OR PROVIDE FOR A MORTGAGE, DEED OF TRUST, PLEDGE, OTHER SECURITY INTEREST IN OR ENCUMBRANCE ON ANY OF THE REVENUES, PROPERTY, OR ASSETS OF THE AUTHORITY; MAY PLEDGE ALL OR A PORTION OF THE RIGHTS OF THE AUTHORITY TO IMPOSE AND RECEIVE RENT OR OTHER CHARGES IN ACCORDANCE WITH THE PROVISIONS OF THIS PART 11; MAY CONTAIN SUCH PROVISIONS FOR PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES OF HOLDERS OF ANY OF THE BONDS AS THE AUTHORITY DEEMS APPROPRIATE; MAY SET FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF ANY OF THE BONDS; AND MAY CONTAIN PROVISIONS THAT THE AUTHORITY DEEMS APPROPRIATE FOR THE SECURITY OF THE HOLDERS OF THE BONDS, INCLUDING, BUT NOT LIMITED TO, PROVISIONS FOR LETTERS OF CREDIT, INSURANCE, STANDBY CREDIT AGREEMENTS, OR OTHER FORMS

OF CREDIT ENSURING TIMELY PAYMENT OF THE BONDS, INCLUDING THE REDEMPTION PRICE OR THE PURCHASE PRICE.

(h) ANY PLEDGE OF REVENUE, ASSETS, OR OTHER PROPERTY MADE BY THE AUTHORITY OR BY ANY PERSON OR GOVERNMENTAL UNIT WITH WHICH THE AUTHORITY CONTRACTS IS VALID AND BINDING FROM THE TIME THE PLEDGE IS MADE. THE PLEDGED REVENUES, ASSETS, OR PROPERTY ARE IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT ANY PHYSICAL DELIVERY OR FURTHER ACT, AND THE LIEN OF THE PLEDGE IS VALID AND BINDING AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE PLEDGING PARTY. THE INSTRUMENT BY WHICH THE PLEDGE IS CREATED SHALL BE RECORDED OR FILED. SUCH LIEN OF THE PLEDGE IS SUPERIOR ONLY TO ANY OTHER LIEN ON THE SAME REVENUE, ASSETS, OR PROPERTY THAT IS FILED LATER IN TIME OTHER THAN A LIEN FOR PROPERTY TAXES.

(i) NEITHER THE MEMBERS OF THE BOARD OF THE AUTHORITY, EMPLOYEES OF THE AUTHORITY, NOR ANY PERSON EXECUTING THE BONDS ARE LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

(j) THE AUTHORITY MAY PURCHASE ITS BONDS OUT OF ANY AVAILABLE MONEY AND MAY HOLD, PLEDGE, CANCEL, OR RESELL SUCH BONDS SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH THE HOLDERS OF THE BONDS.

(2) THE AUTHORITY MAY INVEST OR DEPOSIT ANY PROCEEDS AND ANY INTEREST FROM THE SALE OF BONDS IN THE MANNER PROVIDED BY PART 6 OF ARTICLE 75 OF TITLE 24. IN ADDITION, THE AUTHORITY MAY DIRECT A CORPORATE TRUSTEE THAT HOLDS SUCH PROCEEDS AND ANY INTEREST TO INVEST OR DEPOSIT SUCH PROCEEDS AND ANY INTEREST IN INVESTMENTS OR DEPOSITS OTHER THAN THOSE SPECIFIED BY SAID PART 6 IF THE BOARD DETERMINES, BY RESOLUTION, THAT THE INVESTMENT OR DEPOSIT MEETS THE STANDARD ESTABLISHED IN SECTION 15-1-304, THE INCOME IS AT LEAST COMPARABLE TO INCOME AVAILABLE ON INVESTMENTS OR DEPOSITS SPECIFIED BY PART 6 OF ARTICLE 75 OF TITLE 24, AND THE INVESTMENT WILL ASSIST THE AUTHORITY IN THE COMPLETION OF THE AFFORDABLE RENTAL HOUSING PROJECT OR ACTIVITIES TO BE FINANCED FROM PROCEEDS OF THE BONDS.

(3) ALL BANKS, TRUST COMPANIES, SAVINGS AND LOAN ASSOCIATIONS, INSURANCE COMPANIES, EXECUTORS, ADMINISTRATORS, GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES MAY LEGALLY INVEST ANY MONEY WITHIN THEIR CONTROL IN BONDS ISSUED UNDER THIS PART 11. PUBLIC ENTITIES, AS DEFINED IN SECTION 24-75-601 (1), MAY INVEST PUBLIC MONEY IN SUCH BONDS ONLY IF THE BONDS SATISFY THE INVESTMENT REQUIREMENTS ESTABLISHED IN PART 6 OF ARTICLE 75 OF TITLE 24.

(4) BONDS ISSUED UNDER THIS PART 11 ARE EXEMPT FROM THE PROVISIONS OF ARTICLE 51 OF TITLE 11.

(5) THE ISSUANCE OF BONDS BY THE AUTHORITY PURSUANT TO THIS PART 11 NEED NOT COMPLY WITH THE REQUIREMENTS OF ANY OTHER STATE LAW APPLICABLE TO THE ISSUANCE OF BONDS AND NO PROCEEDINGS, NOTICE, OR APPROVAL IS REQUIRED

FOR THE ISSUANCE OF BONDS BY THE AUTHORITY EXCEPT AS PROVIDED IN THIS PART 11.

**29-4-1110. Agreement of the state not to limit or alter rights of obligees.** THE STATE PLEDGES AND AGREES WITH THE HOLDERS OF ANY BONDS ISSUED UNDER THIS PART 11 AND WITH THOSE PARTIES WHO ENTER INTO CONTRACTS WITH THE AUTHORITY THAT THE STATE WILL NOT IMPAIR THE RIGHTS VESTED IN THE AUTHORITY OR THE RIGHTS OR OBLIGATIONS OF ANY PERSON WITH WHICH THE AUTHORITY CONTRACTS TO FULFILL THE TERMS OF ANY AGREEMENTS MADE PURSUANT TO THIS PART 11. THE STATE FURTHER AGREES THAT IT WILL NOT IMPAIR THE RIGHTS OR REMEDIES OF THE HOLDERS OF ANY BONDS OF THE AUTHORITY UNTIL THE BONDS HAVE BEEN PAID OR UNTIL ADEQUATE PROVISION FOR PAYMENT HAS BEEN MADE. THE AUTHORITY MAY INCLUDE THIS PROVISION AND UNDERTAKING FOR THE STATE IN THE BONDS.

**29-4-1111. Issuance of funds to the authority.** ON JULY 1, 2022, THE STATE TREASURER SHALL ISSUE TO THE AUTHORITY A WARRANT PAID FROM THE GENERAL FUND IN AN AMOUNT EQUAL TO ONE MILLION DOLLARS FOR USE BY THE AUTHORITY CONSISTENT WITH THE PROVISIONS OF THIS PART 11.

**29-4-1112. No action maintainable.** AN ACTION OR PROCEEDING AT LAW OR IN EQUITY TO REVIEW ANY ACTS OR PROCEEDINGS OR TO QUESTION THE VALIDITY OR ENJOIN THE PERFORMANCE OF ANY ACT OR PROCEEDINGS OR THE ISSUANCE OF ANY BONDS OR FOR ANY OTHER RELIEF AGAINST OR FROM ANY ACTS OR PROCEEDINGS DONE UNDER THIS PART 11, WHETHER BASED UPON IRREGULARITIES OR JURISDICTIONAL DEFECTS, SHALL NOT BE MAINTAINED UNLESS COMMENCED WITHIN THIRTY DAYS AFTER THE PERFORMANCE OF THE ACT OR PROCEEDINGS OR THE EFFECTIVE DATE OF THE ACTS OR PROCEEDINGS, WHICHEVER OCCURS FIRST, AND IS THEREAFTER PERPETUALLY BARRED.

**29-4-1113. Judicial examination of powers, acts, proceedings, or contracts of the authority.** IN ITS DISCRETION, THE BOARD MAY FILE A PETITION AT ANY TIME IN THE DISTRICT COURT IN AND FOR ANY COUNTY IN WHICH THE AUTHORITY IS LOCATED WHOLLY OR IN PART, OR IN WHICH THE AUTHORITY INTENDS TO CONDUCT ACTIVITIES, SEEKING A JUDICIAL EXAMINATION AND DETERMINATION OF ANY POWER CONFERRED TO THE AUTHORITY, ANY REVENUE-RAISING POWER EXERCISED OR THAT MAY BE EXERCISED BY THE AUTHORITY, OR ANY ACT, PROCEEDING, OR CONTRACT OF THE AUTHORITY, WHETHER OR NOT THE ACT OR PROCEEDING HAS OCCURRED OR THE CONTRACT HAS BEEN EXECUTED. THE JUDICIAL EXAMINATION AND DETERMINATION MUST BE CONDUCTED IN SUBSTANTIALLY THE MANNER SET FORTH IN SECTION 32-4-540; EXCEPT THAT THE NOTICE REQUIRED MUST BE PUBLISHED ONCE A WEEK FOR THREE CONSECUTIVE WEEKS AND THE HEARING MUST BE HELD NOT LESS THAN THIRTY DAYS NOR MORE THAN FORTY DAYS AFTER THE FILING OF THE PETITION.

**29-4-1114. This part 11 not a limitation of powers.** NOTHING IN THIS PART 11 CONSTITUTES A RESTRICTION OR LIMITATION UPON ANY OTHER POWERS THAT THE AUTHORITY MIGHT OTHERWISE HAVE UNDER ANY OTHER LAW OF THE STATE, AND THIS PART 11 IS CUMULATIVE TO ANY SUCH POWERS. THIS PART 11 DOES AND IS CONSTRUED TO PROVIDE A COMPLETE, ADDITIONAL, AND ALTERNATIVE METHOD FOR ACTING IN ANY MANNER AUTHORIZED THEREBY AND IS SUPPLEMENTAL AND

ADDITIONAL TO POWERS CONFERRED BY OTHER LAWS.

**29-4-1115. Construction of this part 11.** THE GRANT OF AUTHORITY PURSUANT TO THIS PART 11 IS IN ADDITION TO ALL OTHER AUTHORITY PROVIDED BY LAW. NOTHING IN THIS PART 11 LIMITS THE AUTHORITY OF THE STATE, A LOCAL GOVERNMENT, OR A POLITICAL SUBDIVISION OF THE STATE, INCLUDING THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED IN SECTION 29-4-704, TO UTILIZE OTHER POLICIES AND PROCEDURES FOR THE ACQUISITION, CONSTRUCTION, REHABILITATION, OWNERSHIP, OPERATION, OR FINANCING OF ANY TYPE OF HOUSING.

**SECTION 3. Appropriation.** For the 2022-23 state fiscal year, \$1,000,000 is appropriated to the department of treasury. This appropriation is from the general fund. To implement this act, the department may use this appropriation for payment to the middle-income housing authority.

**SECTION 4. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: June 3, 2022